

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES,

ON THE

*Subject of surrendering to the State of Maryland the stock held by the  
United States in the Chesapeake and Ohio Canal Company.*

JANUARY 7, 1840.

Referred to the Committee on Roads and Canals, and ordered to be printed.

*To the Senate of the United States :*

I herewith communicate to Congress, copies of a communication received from the Chief Magistrate of the State of Maryland, in respect to the cession to that State of the interest of the General Government in the Chesapeake and Ohio canal. Having no authority to enter into the proposed negotiation, I can only submit the subject to the consideration of Congress. That body will, I am confident, give to it a careful and favorable consideration, and adopt such measures in the premises, within its competency, as will be just to the State of Maryland, and to all the other interests involved.

M. VAN BUREN.

WASHINGTON, January 6, 1840.

ANNAPOLIS, December 2, 1839.

SIR: By an act of the Legislature of Maryland, I am directed "to negotiate with the President of the United States, for the surrender to this State of the stock of the Chesapeake and Ohio Canal company belonging to the United States, and the cities of Washington, Georgetown, and Alexandria, upon the condition that this State will complete the canal to Cumberland with as little delay as possible."

In directing me to open a correspondence with the President for this purpose, the Legislature intended, through his recommendation, to submit the proposition to the Congress of the United States. Of the grounds on which the Legislature expected the General Government to transfer its stock in the canal company to the State of Maryland, it is necessary to make a brief explanation.

The charter of the Chesapeake and Ohio Canal company was granted by Virginia and Maryland in the year 1824, and confirmed by Congress in March, 1825. A few months before the charter was granted, the canal convention assembled in Washington, and, taking the report of the United Blair & Rives, printers.

States engineers as their guide, estimated the cost of the canal, from tide water to Cumberland, at two millions seven hundred and fifty thousand dollars. Of this sum, it was proposed that the United States should subscribe one million, Virginia three-fourths of a million, Maryland half a million, and the District cities half a million; which subscriptions were supposed to be in proportion to the advantages these different parties would derive from the work. Maryland made her first subscription of half a million, according to the proposed apportionment of the stock, on the condition that the United States should subscribe for ten thousand shares, or a million of dollars, and that "the residue of the money estimated by the United States Board of Engineers to be adequate to the completion of the eastern section of the canal, should be subscribed by bona fide and competent subscribers." Congress authorized a subscription for ten thousand shares accordingly, and the residue of the sum of two millions seven hundred and fifty thousand dollars was subscribed by Virginia and the District cities, though not in the proportions designated by the canal convention. The estimate of the United States engineers had been made for a canal forty feet wide and four deep; which dimensions were prescribed in the charter, and were amply sufficient for the purposes of Maryland. Though the actual cost of a canal of these dimensions would have exceeded the estimate, it might have been completed to Cumberland for a less sum than has already been expended upon the present work, and would have been now yielding a dividend to the stockholders. But, under the auspices and influence of the General Government, it was determined to increase the width to sixty feet and its depth to six feet; to construct magnificent bridges, basins, and aqueducts, and to make it a splendid national work. When, however, the funds of the company were entirely exhausted in constructing the work on this extended scale, it was discovered that no farther aid was to be expected from the General Government, or Virginia, or the District of Columbia. The alternative was then presented to Maryland, of completing the canal to Cumberland, at her own expense, or of following the example of the United States, whose expected co-operation had first induced her to engage in the work. She had as little interest in completing the canal as Virginia, and much less than the General Government or the District cities. She had, indeed, no reason to expect any portion of its commercial benefits, without first connecting it with the city of Baltimore, by means of a lateral canal, as provided for in the charter; the additional expense of which was likely to be a full equivalent for its advantages. She has nevertheless persevered in the work, as if it had been for her exclusive benefit, till her subscriptions and loans amount to seven millions of dollars. In presenting this statement of the relative interests and expenditures of the different parties, it is not intended to make a complaint. Virginia was engaged in other schemes of internal improvement, which were probably considered of greater importance. If the resources of Washington, Georgetown, and Alexandria, had been in proportion to their public spirit, or to their interest in the work, there is no doubt that they would have cheerfully borne their part of the burden, which has fallen upon the State of Maryland. Unfortunately, however, they found it impossible, without ruining the people of the District, to pay their first subscriptions, and were under the necessity of petitioning Congress for relief. The General Government assumed their debt, and received a transfer of the stock for which it was incurred. In assuming this debt of the District cities, as well as in its

original subscription to the canal, the General Government was probably influenced by a desire to improve the condition and gratify the wishes of those whom the Constitution had placed under its exclusive jurisdiction. Perhaps some obligation was felt, not only to embellish the seat of Government with splendid edifices, but to make it a place of trade; to bring ships and commerce into its ports, and to fill it with an industrious population. It was also important to the Government itself, to open the navigation of the Potomac between tide water and Cumberland; and thus provide the means of supplying the District of Columbia with coal and iron, and other articles required for public purposes. There is not the least doubt that these considerations would have induced Congress to make ample appropriations for the completion of the canal, as soon as it was ascertained that the funds of the company were insufficient, if memorials from every part of the Union for aid of a similar kind, had not revived doubts of the constitutionality, as well as policy, of such an application of the public revenue.

In addition to the sums already provided, it will require from two to three millions of dollars to complete the canal to Cumberland, which Maryland proposes to do at her own expense, and as speedily as possible, on condition of receiving from the General Government a transfer of its stock. This stock, including that assigned by the District cities, amounts to two and a half millions of dollars. If it were now offered for sale, it would bring but a small portion of its cost; and what little value it has, is derived from the efforts which this State has already made, and is expected to make, for the completion of the canal. Maryland might fairly claim it on this account; and, also, as a partial indemnification for the expenditure of her funds in constructing expensive works in the District of Columbia, and in the enlargement of the canal for the purposes of the General Government. When, therefore, she offers, as an additional equivalent, to finish a work of so much importance to the Government as well as the District, it is difficult to conjecture upon what grounds the proposition can be refused.

Virginia is a stockholder in the canal company, to the amount of two hundred and eighty-one thousand one hundred dollars. Her rights will not be affected by the proposed transfer of the Government stock; and her interest will be promoted by any arrangement that will hasten the completion of the canal. Individuals hold stock to the amount of four hundred and forty-six thousand eight hundred and twenty-four dollars. They will be benefited by the proposed arrangement, because, if it be accepted by the General Government, they may still retain their stock if they please, or sell it to the State of Maryland for fifty per centum of its par value. Washington, Georgetown, and Alexandria, have paid nothing on account of the stock, surrendered by them to the United States; and as stockholders, have nothing to lose or gain by its surrender to Maryland. But they already derive considerable advantages from the canal, and look forward to its completion as the only means of ensuring their commercial prosperity. Whatever, therefore, will facilitate the accomplishment of this great object, cannot be otherwise than acceptable to the citizens of the District.

It may possibly be urged as an objection to the proposed transfer, that other States might expect a relinquishment of the Government stock in other canals. If any other State stands in the same relation to the United States, with regard to any unfinished work, and will offer the same conditions, then it might expect a similar surrender. Some of the parties interested in the Chesapeake and Ohio canal, may oppose the present claim of

Maryland, under the impression that she has invested so large a capital in that work, that she will be induced by her own interest to finish it, even if the General Government should refuse to surrender its stock. But such a consideration will hardly be urged by those who have heretofore solicited her aid, and who are preparing to receive the benefit of her expenditures. There can be no doubt that, without farther aid to the canal company, its stock will continue unproductive, and that the sums expended on the unfinished works will be entirely lost. But this argument has been urged so often that it has begun to lose its force. It is doubtful whether the people of Maryland will consent to bear the additional expense of finishing a work which is more important to others than to themselves, without stipulating for some arrangement that will give them the increased value of its stock, and the complete control over its president and directors.

For the reasons herein stated, the Legislature directed me to make the communication which is now respectfully submitted to the President of the United States.

I have the honor to be, with the highest respect, your obedient servant,

WM. GRASON, *Governor of Maryland.*

His Excellency MARTIN VAN BUREN,

*President of the United States.*